

**TENNESSEE COLLECTION SERVICE BOARD**  
**Instructions \***

**FINANCIAL STATEMENTS & BALANCE SHEETS**

**NEW APPLICANTS (FOR AGENCY LICENSING) MUST SUBMIT –**

- 1.) A current personal or corporate financial statement prepared by a licensed public accountant (PA) or certified public accountant (CPA). (Refer to Tenn. Code Ann. § 62-20-106)
- 2.) The name & license number of the PA or CPA must be provided with the financial statement. (Refer to Tenn. Code Ann. § 62-20-106)
- 3.) Based on the financial statement, the Tennessee Board may deem a person NOT financially responsible who: (Refer to Tenn. Code Ann. § 62-20-107(5))
  - a.) submits a financial statement reflecting liabilities in excess of assets.
  - b.) is unable to pay debts as they mature;
  - c.) submits materially inaccurate financial information;
  - d.) issues a check to a client without sufficient funds for the payment of such check in full.
- 4.) The financial statement must include evidence that the applicant has established a separate fiduciary or trust bank account that holds sufficient funds at all times to disburse such amounts as due all clients. (Document the amount owed to clients. The amount held in trust must cover the amount owed to clients.) (Refer to Tenn. Code Ann. § 62-20-114)

**TO RENEW AN AGENCY LICENSE THE APPLICANT MUST SUBMIT –**

- 1.) A current balance sheet prepared by a licensed public accountant or certified public accountant (The CPA or PA's name & license number must be documented on the form.)
- 2.) For the applicant's convenience, A "Balance Sheet" form may be found at [www.tn.gov/commerce/boards/collect](http://www.tn.gov/commerce/boards/collect). It is not required that the applicant use this form; however, the applicant may wish to use this form as a reference when preparing its balance sheet, as the categories of information requested on the form are considered by the Board to be relevant to a determination of whether the applicant continues to demonstrate "financial responsibility", pursuant to Tenn. Code Ann. § 62-20-101(5).

\* Note: The instructions provided herein are provided only as a courtesy to the applicant and are not intended to be, nor should they be regarded as, exhaustive or providing any form of legal advice or assistance to the applicant from this office relative to the licensing and license renewal processes. It remains the applicant's sole responsibility, notwithstanding the information provided here, to ensure that the applicant has provided all information necessary to process a licensure or license renewal application.